1 ROBERT A. HESSLING (State Bar No. 096466) STEVEN J. SCHWARTZ (State Bar No. 200586) 2 DANNING, GILL, DIAMOND & KOLLITZ, LLP 2003 UM 20 MIIG: 30 2029 Century Park East, Third Floor Los Angeles, California 90067-2904 Telephone: (310) 277-0077 Facsimile: (310) 277-5735 Asimina Papadopoulos [Proposed] Attorneys for Receiver Richard K. Diamond SUPERIOR COURT OF THE STATE OF CALIFORNIA FOR THE COUNTY OF SANTA CLARA THE DIRECTOR OF THE DEPARTMENT OF Case No. CV811257 MANAGED HEALTH CARE OF THE STATE **GRDER**-GRANTING MOTION OF OF CALIFORNIA, 12 RECEIVER FOR AN ORDER ESTABLISHING CLAIMS Petitioner, 13 PROCEDURES AND SETTING A BAR DATE FOR FILING CLAIMS AGAINST VS. 14 LIFEGUARD, INC. LIFEGUARD, INC., 15 Date: January 28, 2003 Time: 9:00 a.m. Respondents. 16 Dept: 16 17 This matter came on regularly for hearing on January 28, 2003, before the Honorable Judge 18 of the Superior Court of the State of California, in the above-referenced Department, of the above-19 entitled court, with Steven J. Schwartz, appearing on behalf of Richard K. Diamond, the duly 20 appointed Receiver ("Receiver") of Lifeguard, Inc. ("Lifeguard"). Other appearances were as 21 noted on the record. 22 The Court having read and considered the Motion of Proposed Receiver for an Order 23 Establishing Claims Procedures and Setting A Bar Date for Filing Claims Against Lifeguard, Inc. 24 (the "Motion"), the Memorandum of Points and Authorities and Declarations filed in support 25 thereof, no opposition having been received, notice having been proper, the Court being fully 26 advised and good cause appearing therefor, it is ordered as follows: 27 28 /// ORDER GRANTING RECEIVER'S MOTION FOR AN ORDER ESTABLISHING CLAIMS PROCEDURE

205235.02 [XP]

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The Motion is granted in its entirety. 1. 2. Notice of this Motion was proper. The claims procedures described in the Motion are approved. 3. The Receiver shall serve by February 5, 2003, notice to all creditors of the bar date 4. for filing a Proof of Claim in substantially the same form as attached hereto as Exhibit "A". The bar date for filing a Proof of Claim in this case is June 6, 2003. 5. Kevin E. McKenney Dated: JAN 2 8 2003 JUDGE OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA ORDER GRANTING RECEIVER'S MOTION FOR AN ORDER ESTABLISHING CLAIMS PROCEDURE 205235.02 [XP]

EXHIBIT A

NOTICE TO ALL PERSONS HAVING CLAIMS AGAINST LIFEGUARD, INC. REGARDING CLAIMS PROCEDURES AND BAR DATE

This matter arises in the case of <u>The Director of the Department of Managed Health Care</u> (<u>DMHC</u>) of the State of <u>California v. Lifeguard, Inc.</u>, Santa Clara County Superior Court (the "Court") Case No. CV811257. **PLEASE TAKE NOTICE** that the Court has established a claims bar date of **June 6, 2003** for all persons who have claims against Lifeguard, Inc. ("Lifeguard") (the "Claims Bar Date"), to file the proof of claim in the form set forth on the reverse side of this Notice (the "Proof of Claim"). Such Proof of Claim shall be filed with Richard K. Diamond, the Receiver appointed by the Court for Lifeguard ("Receiver"), care of his Claims Agent at the following address: Attn: Lifeguard Claims Manager, CPT Group, Inc., 16630 Aston Street, Irvine, CA 92606. Claims Agent shall be acting as an agent for Lifeguard, and Receiver and Claims Agent both agree that all patient information shall be treated as confidential, and shall not be used for any purpose other than in the manner prescribed herein.

Transmitted with this notice is a Remittance Advice for providers ("RA") and an Explanation of Benefits for members ("EOB") setting forth all known claims held by the Receiver and the amount due according to Lifeguard Inc.'s records. If you agree with the Receiver's assessment, you need only to place an "X" where indicated, insert your name, address and claim amount, sign and mail the form to the Claims Agent for processing. If you dispute the Receiver's assessment of your pre September 13, 2002 claims or if you dispute payment on a post September 13, 2002 claim that Lifeguard has already processed and upheld on appeal, you must fill out the Proof of Claim form, as well as provide proof of such disputed amount, by not later than the Claims Bar Date. Backup support for a claim in an amount other than that set forth on the RA or EOB must be submitted along with the claim to CPT Group. If you are a vendor or other creditor filing a claim, attach all supporting documentation and send to CPT Group on or before the Claims Bar Date. All claimants failing to make and present claims and, if such claim is disputed, provide supporting proof to the Receiver on or before the Claims Bar Date shall be forever barred from asserting a claim of any kind whatsoever against the receivership estate or its assets or sharing in a distribution of its assets. After the Claims Bar Date, the Receiver has been directed by the Court to review all submitted claims and present the results of his claims review to the Court for further consideration, including hearings on disputed claims which cannot be resolved between the Receiver and the claimant.

By filing a Proof of Claim with the Receiver, you agree that the Court shall have jurisdiction over all claims identified in your Proof of Claim and over all aspects of your claim, including but not limited to, the amount of your claim, the priority in distribution of your Claim, the determination of allowance of your Claim, and the scheduling and allocation of the receivership estate's funds to satisfy your Claim (if any are available), and that objections or disputes thereto shall be submitted to the Court upon motion practice for hearing and a final ruling thereon. The matter shall be heard by the Court without a jury.

By filing a proof of claim with the Receiver, you agree to waive any and all rights you may have to proceed against Lifeguard, to recover on your claims, and you understand, therefore, that your recovery, if any, on your claims against Lifeguard will be limited to the amount of the final distribution arrived at for your claim, as determined by the Court's final ruling and order regarding your claim. This waiver shall not affect any rights you may have against persons or entities other than Lifeguard and the receivership estate.

WARNING: YOUR PROOF OF CLAIM MUST BE FILED WITH AND RECEIVED BY THE RECEIVER ON OR BEFORE JUNE 6, 2003 IN ORDER TO PARTICIPATE IN THE DISTRIBUTION UNDER THE RECEIVERSHIP ESTATE.

| DATED: | Richard K. Diamond, Receiver |
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EXHIBIT A

PROOF OF CLAIM

The Director of the Department of Managed Health Care for the State of California v. Lifeguard, Inc., Santa Clara County Superior Court Case No. CV811257

PLEASE COMPLETE, SIGN AND RETURN THIS FORM AT ONCE TO:

| ATT'N LIFEGUARD CLAIMS MANAGER | I AM FILING THIS CLAIM AS A: | |
|---|--|--|
| CPT GROUP, INC. | 1. PROVIDER 0 | |
| 16630 ASTON STREET | 2. MEMBER o | |
| IRVINE, CALIFORNIA 92606 | VENDOR OR OTHER CREDITOR o | |
| NAME OF CLAIMANT: | ATTORNEY FOR CLAIMANT (IF ANY): | |
| ADDRESS OF CLAIMANT: | ADDRESS OF ATTORNEY (IF ANY) FOR CLAIMANT: | |
| TELEPHONE NUMBER: | TELEPHONE NUMBER: | |
| SIGNATURE OF ATTORNEY (IF ANY) FOR CLAIMANT: | | |
| | CHECK HERE if this Proof of Claim Replaces or Amends a previously filed claim, dated: | |
| BASIS FOR CLAIM (check appropriate category): Goods sold Services performed Money loaned Other (Describe briefly): | Wages, salaries, or compensation (Fill out below) Your social security number: Unpaid compensation for services performed from to | |
| DATE CLAIM AROSE/DEBT WAS INCURRED: | IF COURT JUDGMENT, DATE OBTAINED: (Attach copy) | |
| AMOUNT OF CLAIM: \$ | | |
| PROVIDERS/MEMBERS: Lifeguard's records indicate that your claim ("RA") or Explanation of Benefits ("EOB") included herein. If you do not participate in the claims process, place an "X" where indicated below indicated, sign and return this form along with the enclosed RA or EOB failure to return the enclosed RA or EOB with this form may result in your do not dispute Lifeguard's assessment of my claim and submit a hereto. | of dispute Lifeguard's assessment or your claim, and you wish w, fill in your name, address and claim amount where 3. You need not fill out the remainder of this form. However, our claim being disputed. | |
| o I disagree with the amount set forth on the RA or EOB attached hereto and have submitted documentation in support of my claim. | | |
| o I am a vendor or other creditor. I have attached supporting documentation pertaining to my claim. | | |
| SUPPORTING DOCUMENTS: Unless you agree with the amount sho or EOB, <u>attach copies of supporting documents</u> , (such as promissory running accounts, contracts, court judgments, settlements, or evidence are not available, explain. If the documents are voluminous, attach as the basis for disallowance of the claim by the Court. | e of security interests) to the Proof of Claim. If the documents summary. The failure to provide such support may constitute | |
| PROOF OF FILING: To receive an acknowledgment of the filing of you envelope and a copy of this Proof of Claim. | | |
| By signing and filing this Proof of Claim, the undersigned represents the undersigned's knowledge, and the undersigned agrees with the te | hat all the information herein is true and correct to the best of rms contained on the reverse side of this Proof of Claim. | |
| Dated: Claimant's Signat | ture: | |